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11. (C) SUMMARY: In various meetings over the last few weeks, Post has been taking stock of what Indian analysts, professors, lawmakers and journalists are thinking about Iran. This cable is a summary of those conversations. Interlocutors agreed that, while Indians do not want a nuclear Iran, they are very protective of preserving an independent foreign policy, and do not want to be seen as bowing to the wishes of any foreign power, especially the U.S. The Muslim votebank figures somewhat into Indian foreign policy according to experts, but not to a great extent, as Shias form a small part of the Indian population. India will comply with more sanctions if they are mandated by

Classified By: PolCouns Ted Osius for Reasons 1.4 (B,D)

the UN, keeping its goal of a seat on the UN Security Council in the background, suggested some. Indians support the option of a diplomatic solution to the crisis with Iran, and are staunchly opposed to a military option. India is still dependent upon Iran for oil and gas, and notably for a transit route into Afghanistan and Central Asia. India will continue to maintain its relationship with Iran through the exchange of state visits and dialogue, but is generally not willing to upset the U.S. over its relationship with Iran. Of particular note is that PM Singh has turned down repeated invites to visit Tehran (reftel b). END SUMMARY.

The Clear and Potential Danger - A Nuclear Iran

12. (C) All the experts concur - India does not want a nuclear Iran. Jawaharlal Nehru University (JNU) Professor Girijesh Pant underlined the seriousness of the modern dilemma India is facing as a nuclear power in opposition to Iran having nuclear weapons. He pointed out that the Middle East is an institutionally weak region, and said that Indians are insecure about nuclear devices getting into the hands of proliferators such as A.Q. Khan. Journalist Ashok Malik, referring to Iran as a "clear and potential danger," stated similarly that, though Indians see Iran as moderate, "nobody wants Iran to go nuclear." Member of Parliament (MOP) (Congress Party) Raashid Alvi echoed the sentiment that it would not be in India's national interest to allow Iran to develop nuclear weapons, as did "India Today" managing editor Raj Chengappa, who told Poloff, "India has no interest in entertaining another nuclear power in the region." "Not even the Muslims" want a nuclear Iran, affirmed Jamia Millia Islamia Professor Qama Agha.

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An Independent Foreign Policy

13. (C) "Indians want to see their foreign policy as being independent of Western influences," Journalist Zafar Agha opined, noting to Poloff that the anti-colonial struggle is deeply rooted in India. "Having an independent foreign policy is a sensitive issue," he remarked, suggesting that the U.S. should not make public "noises" regarding Iran and India, but should make it clear that it is "up to Iran and India" to decide what course their relationship should take. Audiences at the well-attended "India Today" conclave March 23 applauded former Iranian President Hujjat-ul-Islam Seyed Mohammad Khatami when he asserted that Iran had a right to peaceful nuclear energy, and that the only solution to the nuclear issue was "negotiation without pressure." His speech was warmly received by the Indian audience members who seemed to have some measure of affection for Khatami, calling his speech "touching" during the question and answer session. Prime Minister Singh continued the warm reception for Khatami during his lunchtime speech at the same event. At the start of his speech, he praised Khatami as a "great citizen of the world, a great leader of the Iranian people, and a great friend of India," and said it was a "source of joy" that Khatami had been part of the event's initial proceedings. Singh quoted from a speech that Khatami gave at the UN-sponsored Conference on Dialogue Among Civilizations in September 2000, in which Khatami said that such dialogue is a means to "attain empathy and compassion." Singh added that India, as a multi-cultural society, appreciated this kind of dialogue more than anyone else.

The Muslim Votebank - Does the Shia Population Weigh In?

¶4. (C) Though opinions vary on what the exact percentage of the Shia population is in India, experts believe that the number of Shias is somewhere between less than one percent to five percent of the total population, (Note: Making it the world's second largest Shia population. End note). Their voice still counts, said Qamar Agha, who observed that Shias are more highly educated and literate than Indian Sunnis. There are no Shia militant organizations in India, he argued, noting that Indian Shias tended to be a liberal and marginalized part of the population. "The Mullahs and clerics do not have much influence over Shias in India," he observed. "Iran's supporters are strange bedfellows - the capitalists and the Left," claimed JNU Professor P.R. Kumaraswamy. Qamar Agha suggested that "it is the upper castes" of India who tended to support Iran, while Alvi asserted that Iran is "not a burning issue" for most Indians. "Average Indians vote based on local issues such as inflation," he commented, rather than issues like the proposed Iran-Pakistan-India (IPI) gas pipeline. "Only the

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Shias, a small group of people, are pleased by a good relationship between Iran and India," added Alvi. Citing the greater importance of a good relationship with the United States, Qamar Agha maintained that "no one wants to upset relations with the U.S. - not even the Left. They are on board." However, Zafar Agha warned that India used Iran to "balance the Arabs against Pakistan," pointing out that when the Babri mosque was destroyed by communal rioting in 1992, the Indians called upon Iran to help stall the violence. (Note: Iranian then-President Rafsanjani visited Lucknow, Uttar Pradesh, following the riots, where he declared that he had full faith in India's secularism and the ability of its constitutional system to safeguard its Muslims. End note.)

India Will Comply With the UN

15. (C) Indo-Iran watchers believe India will continue to comply with sanctions against Iran as long as they are mandated by the UN. Qamar Agha argued that India had a respect for international law, rooted in old British traditions, and they would, therefore, go along with the UN on its resolutions. The ultimate goal for India was a seat on the UN Security Council, he pointed out. Kumaraswamy was confident that more UN sanctions would be the best path toward a solution on the Iran nuclear issue. National Security Advisory Board member C. Raja Mohan told Poloff the UN provides political cover for India to be more stringent on Iran than pressure from the U.S. could achieve.

No Military Option - India Is For Dialogue Between the U.S. and Iran $\,$

¶6. (C) Although Iran is not necessarily high on the radar screen of the average Indian, one issue that does register is that of a possible confrontation between the U.S. and Iran. "India doesn't want more trouble in the region," emphasized Chengappa. Qamar Agha assessed that Indians believe differences between the U.S. and Iran can be sorted out diplomatically. He added that Indians were concerned about the economic fallout of a military confrontation between the two. Agha presaged that "inflation and the price of oil would go up if there were a war in Iran." Dr. Pant asserted that an attempt should be made by the U.S. to engage Iran. "Iranians are not extremists in terms of religion, contended, conjecturing that it would be better to engage Iran economically, rather than politically. "Nobody likes the 'exporting democracy' agenda," explained Pant, adding that it caused resentment when a power like the U.S. gave the impression that it was there "to educate" another nation. He encouraged the U.S. to use economic power and other transnational agenda items to promote its goals. "Soft power is the way to hegemony," urged the professor.

17. (C) Major General (retd) Ramesh Chopra signaled that he thought Iran should be "brought into the act" in Afghanistan. This argument was corroborated by Malik, who said he thought that India, Afghanistan and Iran could collaborate well, noting that "India can't dump Iran," because it needs Iran for access to Afghanistan, given Pakistan's refusal to allow transit routes or power lines.

Oil and Gas - How Much Does It Matter?

18. (C) "Energy is India's biggest concern," emphasized Chengappa, noting India's dependence on Iran for oil. Agha pointed out that 70% of India's oil came from the Middle East. Others were not so sure that India needed Iran to meet its energy needs, however. Rushda Siddiqui, Fellow at the Institute for Defence Studies and Analyses, waved off the idea that India is dependent on Iran's oil. "India only takes 2-8% of oil from each country," she conjectured. (Note: Highly restricted data obtained by Post indicates that India has gotten 12-13% of its crude oil imports from Iran each year over the last few years. End note.) "On top of that, India is not a gas economy," she added, and could rely on Burma and Bangladesh for gas just as much as Iran. (Note: Post considers that India is becoming more interested in liquefied natural gas (LNG) as future advances in LNG technology and affordability offer a more flexible alternative to oil - see Reftel f. Also, India's potential share of gas from Burma may not justify the construction of a gas pipeline - see Reftel g. End note.) On the proposed IPI gas pipeline, Malik stated that India's East coast had gas as well as oil, and therefore the pipeline was not that important. Kumaraswamy complained that India "does not understand that the price of energy is about political negotiation, and has nothing to do with market price,' predicted that the pipeline would not be implemented until the U.S.-Iran relationship improved. "India does not have the leverage to stand up" in the face of opposition from the U.S. on the pipeline, he averred. Noting that the U.S., while expressing concern regarding China's military build-up, continued to invest USD 3 billion in China, Chopra argued that the U.S. should not blame India for having an economic relationship with Iran despite harboring concerns about its nuclear program.

Exchange of State Visits - Strictly Protocol

19. (C) Malik dismissed the recent exchange of high-level visits, in which Iran's Naval Chief Admiral Sajjad Kouchaki visited India March 4-9, and India's Minister of State E. Ahamed visited Tehran for a ministerial meeting of the Indian

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Ocean Rim Association for Regional Cooperation conference March 7-8, as being routine and unimportant. Regarding Ahamed's visit, he said India was "keeping some eggs in the Iranian basket," but downplayed its importance. Alvi agreed that the visit was for "protocol only." Ministry of External Affairs Under Secretary for Iran, Anil Sharma, told Poloff and DATT March 12 (reftel a) that Kouchaki's visit was merely a routine exchange for the purpose of "familiarization," and in the nature of "good will." Neither India nor Iran proposed any Memoranda of Understanding, nor any other agreements during the visit. Of particular note is that PM Singh has turned down repeated invites to visit Tehran (reftel b).

Iran Not Foremost On the Average Indian's Mind ----

10. (C) Comment: India can be a helpful partner on Iran, but Indian policymakers remain constrained by domestic political sensitivities of the Left and Muslims, the

country's long tradition of adherence to an independent foreign policy, energy security concerns, and a need for an open route via Iran to Central Asia, as Pakistan continues to block land transit to Afghanistan and Central Asia. America's stance on Iran, while perhaps not popular in India, is at least appreciated for its attempt to contain Iran's nuclear weapons development. Contacts claim India's engagement with Iran is beneficial to the U.S. in that India is then able to influence Iran; however, there is minimal evidence of effective use of that influence. Rather, multilateral institutions, particularly the UN and the International Atomic Energy Agency, provide India with the cover to get tough on Iran when it wants to. For as long as mistrust colors India's relationship with Pakistan, India will keep the Iran card in hand. U.S. efforts to leverage India on Iran will need to take India's long-established calculus into account, but that does not mean we can not ask for India to use its self-declared influence with Iran more openly and more often. END COMMENT. MULFORD